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THE MARKET NEWS SERVICE ON COTTON

U.S. DEPARTMENT OF AGRICULTURE
MARKETING BULLETIN NO. 41

THE MARKET NEWS SERVICE on COTTON

by Edward M. Byrnes, Head,
Market News Section

WHAT IS COTTON MARKET NEWS?

Cotton market news—a service of the U.S. Department of Agriculture—consists of daily, weekly, monthly, and annual reports on prices, quality, and market conditions for cotton, cottonseed, and cottonseed products. The Cotton Division of USDA's Consumer and Marketing Service provides this valuable, up-to-the-minute information to cotton producers, buyers, sellers, and others in the cotton industry to help them make intelligent marketing decisions.

HOW IS IT GATHERED?

Cotton

Cotton Division field representatives and classing office supervisors, plus market news reporters in regional offices, gather cotton market news—serving as the "eyes and ears" of the cotton industry. They collect information mostly through personal interviews with farmers, ginners, buyers, merchants, and cotton exchange representatives. During the harvest season, they visit cotton gins, warehouses, compresses, and virtually every other point in their territories where cotton is assembled, stored, or marketed. In addition, they gather price and market information by telephone and through mailed questionnaires from both buyers and sellers. Altogether, Cotton Division personnel conduct more than 100,000 interviews annually.

Cottonseed and Cottonseed Products

Field representatives obtain market news for cottonseed and cottonseed products from cotton gins, cottonseed oil mills, brokers, merchants, and processors.

HOW ARE THESE REPORTS ISSUED?

Market news reports for cotton are disseminated from:

Local Classing Offices—These offices issue local market news reports for cotton growers.

Regional Offices—The Southern Region Office in Memphis, Tenn., issues reports covering cotton producing areas in the southeastern and south central states. The Western Region Office in El Paso, Tex., reports on the southwestern and western states.

National Office—This office at Memphis, Tenn., issues cotton market news covering all cotton-producing States and virtually all segments of the cotton industry.

HOW IS COTTON MARKET NEWS DISSEMINATED?

Cotton market news is disseminated largely through local newspapers, radio and television stations, and by mailed reports. It is provided to these media largely by local market news offices and commercial wire services. Some broadcasts are made in Spanish.

WHAT REPORTS ARE ISSUED?

Reports Issued By Local Classing Offices

Newspaper Releases—Daily and weekly summaries of prevailing prices and a discussion of price-making factors in the market are provided to newspapers.

Radio and Television Broadcasts—Daily and weekly broadcast material is provided, one to three minutes in length, covering prices received by farmers, quality of cotton in demand, and price support information.

Radio Tapes—Daily and weekly radio tapes are recorded by local classing offices, providing information similar to broadcast material.

C&MS statistical clerk punches cotton price quotations on console which is connected to high-speed computer miles away.

Wire Releases—Daily and weekly market information, outlining current market conditions and prevailing prices, is provided over USDA's leased wire network and to the national commercial wire services.

Educational and Feature Releases—Periodic reports are prepared for various news outlets, covering such subjects as cotton varieties planted and the quality of cotton ginned.

Reports Issued By Regional Offices

Weekly Cotton Market Review—a weekly summary of market conditions, factors affecting supply and demand, and trading activity in each of the four production areas. Spot cotton prices are listed in tabular form.

Weekly Cottonseed Review—a weekly review providing information on the movement of cottonseed, prices paid for seed by ginners and oil mills, and prices received by oil mills for cottonseed products. The report also lists in tabular form prices paid farmers for cottonseed and the range of grades and average grades of cottonseed—on a county, district, and State basis.

Weekly Report on Quality of Cotton Classed—a report issued each Monday during the harvest season containing percentage distributions of the quality of cotton classed for farmers at each cotton classing office during the preceding week, and cumulative figures for the season. Information is presented on grade, staple, fiber fineness, and strength.

Reports Issued By The National Office In Memphis

Spot Cotton Quotations—a report issued each trading day throughout the year, which includes price quotations for each of the designated spot cotton markets. The daily volume of spot cotton purchases at each designated market is carried in the report. Daily closing prices for New York futures contracts are included.

Weekly Cotton Market Review—covers developments and activity in the cotton market and presents a synopsis of market conditions for the entire cotton belt.

Cotton Fiber and Processing Test Results—a series of reports prepared and published approximately every two weeks during the harvest season, reporting fiber properties and spinning perform-

ance of cotton from all major commercial production areas in the United States. Results of fiber and spinning tests are summarized in a comprehensive report at the end of the harvesting season.

Monthly Cotton Linters Review—the only publication, public or private, which regularly reports on economic conditions prevailing in the market for cotton linters.

Monthly Long Staple Cotton Review—condenses market conditions for long staple upland cotton and extra long staple American Pima cotton. Contains current statistics in tabular form.

Cotton Quality Report for Ginnings, United States—a monthly report issued during the harvest season, containing State and national estimates on the quality of cotton ginned—by grade, staple, fiber fineness, and strength.

Estimated Grade and Staple of Ginnings—a tabular report in cross-classification form issued four times during the harvesting season. Supplements Cotton Quality Report for Ginnings, United States.

Mill Margins Report—a monthly report on mill margins (for carded cotton gray goods). A mill margin is the difference between the price of a pound of fiber and the value of the unfinished cloth obtained from it.

Cotton Price Statistics—a monthly report containing a summary of prices compiled and averaged by months, and cumulatively for the season, with comparative price data for preceding periods.

Cottonseed Quality—an annual report containing statistics on the quality of cottonseed delivered to oil mills during the crop year with comparative data for the preceding year.

Cotton Varieties Planted—an annual report showing the cotton acreage planted, by variety, on a county, State, and national basis.

Cotton Quality, Crop of (year)—an annual report presenting quality statistics for the crop, by months, classing office territories, States, and the entire country. Comparative data for preceding crops are included.

Cotton Quality, Supply-Disappearance-Carryover—an annual report containing estimates of the qualities of cotton in the current supply and in the carryover (end-season stocks).

Cotton Gin Equipment—annual statistics on gins and gin equipment, listed by State. An expanded report is published every five years showing in greater detail statistics on gin equipment by classing office territories, States, and the United States.

GLOSSARY OF COTTON TRADING TERMS

Central Market	—Market where a substantial volume of spot cotton is traded.
Classing	—The determination of the grade, staple length, and micronaire reading of the cotton in a sample.
Cotton linters	—The short fuzzy fibers which cover the cottonseed after the cotton has been ginned.
Fiber strength	—An indication of the ability of cotton fibers to withstand force or tension, an important factor in spinning.
Futures price	—Price at which cotton futures contracts are transacted—established at an organized futures exchange.
Landed price	—Price for actual bales of cotton delivered, with all charges paid, to a specified location such as a textile mill or ship.
Local market	—Small country market (e.g., cotton gin points) at which farmers sell cotton.
Micronaire	—A reading provided by an airflow instrument indicating fiber fineness and maturity; an important guideline to the spinning performance of cotton.
Spot cotton	—Actual bale(s) of cotton.
Spot cotton market	—A place where sales of actual cotton take place.
Spot price	—A price at which actual bales of cotton are traded.
Spot sale	—Any transaction involving a transfer of ownership of actual bales of cotton.
Staple length	—The length, by measurement, of a typical portion of cotton fibers selected at random from a sample.

HOW TO OBTAIN THESE REPORTS

Check the ones you wish to receive.

Cotton Market Review (weekly)

☐ National Report
☐ Southeastern States (Al., Ga., N.C., S.C.)
☐ South Central States (Ar., La., Ms., Mo., Tn.)
☐ Southwestern States (Ok., Tx.)
☐ Western States (Az., Ca., N.M.)

☐ *Quality of Ginnings, State and National Statistics* (monthly during harvest)

Quality of Cotton Classed (weekly during harvest)

☐ Southeastern States (Al., Ga., N.C., S.C.)
☐ South Central States (Ar., La., Ms., Mo., Tn.)
☐ Southwestern States (Ok., Tx.)
☐ Western States (Az., Ca., N.M.)
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